

Continue the scenario. Jon and Karen are married and filed a joint return. Their modified AGI on line 22 of their Form 1040A is \$62,000. Their tax liability on Line 28 is \$9,014. Their tentative Hope credit from line 3 in Part I of Form 8863 is \$1,500. Complete Part III of their Form 8863.

Scroll down to enter information in Part III, lines 8 through 18 to calculate the amount of their Hope credit.

Without closing the PDF window, return to the lesson screen and click Check My Answer.

Part III Allowable Education Credits

8	Tentative education credits. Add lines 3 and 7	8		
9	Enter: \$103,000 if married filing jointly; \$51,000 if single, head of household, or qualifying widow(er)	9		
10	Enter the amount from Form 1040, line 35*, or Form 1040A, line 22	10		
11	Subtract line 10 from line 9. If zero or less, stop ; you cannot take any education credits	11		
12	Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er)	12		
13	If line 11 is equal to or more than line 12, enter the amount from line 8 on line 14 and go to line 15. If line 11 is less than line 12, divide line 11 by line 12. Enter the result as a decimal (rounded to at least three places)	13	×	.
14	Multiply line 8 by line 13 ▶	14		
15	Enter the amount from Form 1040, line 43, or Form 1040A, line 28	15		
16	Enter the total, if any, of your credits from Form 1040, lines 44 through 46, or Form 1040A, lines 29 and 30	16		
17	Subtract line 16 from line 15. If zero or less, stop ; you cannot take any education credits ▶	17		
18	Education credits. Enter the smaller of line 14 or line 17 here and on Form 1040, line 47, or Form 1040A, line 31 ▶	18		

*See Pub. 970 for the amount to enter if you are filing Form 2555, 2555-EZ, or 4563 or you are excluding income from Puerto Rico.